

ASSEMBLY BILL

No. 1092

Introduced by Assembly Member Harman

February 20, 2003

An act to amend Section 1749.5 of the Civil Code, relating to gift certificates.

LEGISLATIVE COUNSEL'S DIGEST

AB 1092, as introduced, Harman. Gift certificates: service fees.

Existing law prohibits the sale of any gift certificate that contains an expiration date, except as specified.

This bill would also prohibit the sale of any gift certificate that contains a service fee, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1749.5 of the Civil Code is amended to
2 read:

3 1749.5. (a) On or after January 1, 1997, it is unlawful for any
4 person or entity to sell a gift certificate to a purchaser ~~containing~~
5 ~~an~~ *that contains any of the following:*

6 (1) An expiration date. ~~Any~~

7 (2) A service fee for the purpose of tracking or monitoring
8 unredeemed gift certificates or creating an inducement to
9 encourage the prompt redemption of those gift certificates.

10 (b) Any gift certificate sold after ~~that date shall be~~ January 1,
11 1997, is redeemable in cash for its cash value, or subject to

1 replacement with a new gift certificate at no cost to the purchaser
2 or holder.

3 ~~(b)~~

4 (c) A gift certificate sold without an expiration date is valid
5 until redeemed or replaced.

6 ~~(e)~~

7 (d) This section ~~shall~~ *does* not apply to any of the following gift
8 certificates issued on or after January 1, 1998, provided the
9 expiration date appears in capital letters in at least 10-point font on
10 the front of the gift certificate:

11 (1) Gift certificates that are distributed by the issuer to a
12 consumer pursuant to an awards, loyalty, or promotional program
13 without any money or other thing of value being given in exchange
14 for the gift certificate by the consumer.

15 (2) Gift certificates that are sold below face value at a volume
16 discount to employers or to nonprofit and charitable organizations
17 for fundraising purposes if the expiration date on those gift
18 certificates is not more than 30 days after the date of sale.

19 (3) Gift certificates that are issued for a food product.

